

years ago. Is that...

SENATOR WARNER: About three.

SENATOR BERNARD-STEVENS: Yeah, three years ago. I'm starting to get some institutional memory, that's exciting. But nonetheless (laughter), it's scary, I understand, Doug. But in that process, and I know this part doesn't change, if the projections were above the level that we'd set that the dollars would be transferred from the General Fund into the Cash Reserve, that is not changed. But what does change, if I understand correctly, is under the current law that we have when the projections are under we would have again an automatic transfer from Cash Fund into the General Fund. That portion is what you will eliminate. And what I missed on the explanation, and I apologize for missing it, but why that is a good policy. And, in short, and I'm going to give you the rest of whatever time you need, in short, what is the other alternative, other than waiting until the next session to fund that shortfall that we have to do, or have a special session, if we so need?

SENATOR WILL: Senator Warner.

SENATOR BERNARD-STEVENS: I mean the whole part of it was that we wanted to have the flexibility, and you're taking half of it away. And I just need to have a better rationale, if I could.

SENATOR WARNER: No, the...number one, the principal provision for the Cash Reserve Fund, which was to have funds available which could be moved to the General Fund if there was insufficient money in the General Fund, that is retained. What would not be retained would be the situation that we were in at the end of this fiscal year, in which projections were less or receipts were...projections were higher than actual receipts, and so there was a shortfall in that sense, and we transferred 20 million out. That transfer would not have occurred last June 30th, if you wanted to have used that money then the Legislature would have had to enact a bill early this session to make the transfer, if it was going to be done. This change does nothing to inhibit the state's ability to utilize that Cash Reserve Fund to meet obligations, if there's insufficient money in the General Fund, which was the principal reason for establishing it on a cash flow basis. But I think it makes sense to also move funds in excess of 5 percent, on June 30th,